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INTRA-BLOC RELATIONS

- I. Yugoslav refusal to accept Soviet leadership of Communist world has put a severe strain on the bloc.
- A. Since the first Soviet attack on the Yugoslav party program in early April, relations between Belgrade and the bloc have rapidly deteriorated.
- B. However, events have moved by fits and starts, bloc countries have not spoken with one voice, and some give signs of being internally divided on how to deal with Tito.
- II. Basic question is not Tito himself, but methods of maintaining Soviet hegemony. The uneven development of the controversy in the face of an unchanging Yugoslav position probably derives from four major--and sometimes conflicting--influences. *THESE INCLUDE:*
- A. Divergencies within the Soviet leadership.
1. There have been many rumors that Khrushchev is at odds with a Stalinist opposition headed by party secretary Suslov.
 2. He is especially vulnerable to Stalinist criticism on the attempted rapprochement with Yugoslavia, for which he was personally responsible.
 3. His best maneuver to protect himself politically is probably to become more anti-Tito than anyone else.
- B. Divergencies within the Satellites.
1. Satellites are less than unanimous in their attitudes toward Tito.

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2. Poland in particular is on the spot. Gomulka cannot condemn Tito without in effect condemning himself. If the Soviets insist, Gomulka must either defy them or knuckle under. Either course might bring a new Hungary.
3. Hungarians and, to a lesser extent, Rumanians are also reluctant to read Tito entirely out of the Communist world. While Czechs have been publicly strong against him, economic isolation of Yugoslavia would cost them a good deal.
4. To conduct a campaign against Tito similar to Stalin's would probably require restoration of direct Soviet control. This would certainly be embarrassing to the Soviets and may now be impossible except by force of arms.

C. China's attitude.

1. Strongest statements against Yugoslavia have come from Peiping, apparently timed to quash any tendencies in the bloc to let the dispute with Tito simmer down.
2. At the same time, Chinese have taken pains to endorse Khrushchev personally and apparently mean to discourage speculation they are backing Stalinist opposition to Khrushchev.
3. Peiping was annoyed by East European misinterpretations of Chicom attitude in 1956 and early 1957 and genuinely

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shocked by subsequent domestic "revisions" expressed during its "100 flowers" campaign; hence for past year has been strongly reaffirming orthodox positions.

D. Foreign policy considerations.

1. Hard line on Yugoslavia complicates Soviet attempts to sell "peaceful coexistence" in uncommitted countries.
2. Soviets need to be assured of bloc unity before going to the summit. In addition they need Chinese acquiescence in not being invited.
3. Preoccupation with intra-bloc affairs prevents USSR from taking full advantage of numerous opportunities now offered for making gains against free world.

III. Net effect of all these factors so far has been to move USSR further and further toward a resumption of the 1948-53 "cold war".

A. Moscow last week called meetings of Council for Economic Mutual Assistance and Warsaw Pact. Top leaders of all Satellites attended.

1. Purpose was probably reaffirmation of bloc unity against Yugoslav defiance and extension of CEMA powers--which would in effect strengthen Soviet control.
2. Warsaw Pact communique successfully demonstrated bloc unified against West. CEMA agreements less clear. Communique vaguely worded, reflecting known Satellite opposition to some Soviet economic policies.

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3. No statement on Yugoslavia was published.

B. On 27 May Moscow sent note to Belgrade stating that USSR was "postponing" aid programs totalling \$278,000,000. for five years.